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ATTORNEYS AND COUNSELORS AT LAW

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March 19, 1996

New Recordation No. and -A Thereof

Dear Mr. Williams:

On behalf of The CIT Group/Equipment Financing, Inc., I submit for filing and recording under 49 U.S.C. § 11301 and the regulations applicable thereunder, counterparts of two documents, first a primary document, not previously recorded, entitled Lease Agreement ("Lease"), dated as of March 15, 1996, to be recorded under a new Recordation No., and a related secondary document, not previously recorded, entitled Assignment and Assumption Agreement ("Assignment") dated March 15, 1996, to be recorded under -A of the new Recordation No.

1. The parties to the Lease, to be recorded under a new Recordation No., are:

The GWI Leasing Corporation (sic) — LESSOR
71 Lewis Street
Greenwich, CT 06830

Wheeling & Lake Erie Railway — LESSEE
Company (sic)
100 East First Street
Brewster, Ohio 44613

The said Lease covers the leasing by the Lessor to the Lessee of some one hundred twenty one (121) coal hopper cars.

The equipment covered in the Lease is identified in Schedule I to the Lease.

A short summary of the Lease to appear in the Surface Transportation Board Index is as follows:

"Lease of 121 coal hopper cars."

2. The parties to the Assignment, to be recorded under -A, are:

GWI Leasing Corporation --- ASSIGNOR
71 Lewis Street
Greenwich, CT 06830

The CIT Group/Equipment Financing, Inc. -- ASSIGNEE
20th Floor
1211 Avenue of the Americas
New York, NY 10036

The aforesaid Assignment assigns all right, title and interest of Assignor to Assignee in, to and under the above Lease and the said Assignment should be recorded under -A of the new Recordation No. assigned to the Lease.

The equipment covered by the Assignment is all the equipment covered by the Lease.

A short summary of the Assignment to appear in the Surface Transportation Board Index is as follows:

"Assignment of Lease."

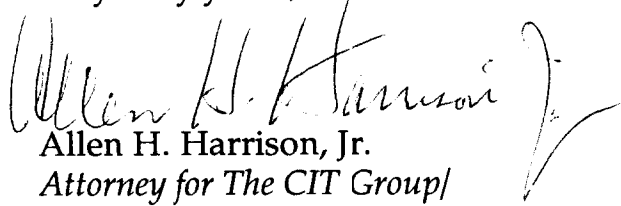
Please index separately the name of the above-mentioned Assignee in the Surface Transportation Board "Vendee/ Assignee" Index book ("white pages") as follows:

1. Index under The CIT Group/Equipment Financing, Inc., saying, "See Recordation No. 9978-A."

Enclosed is a check in the amount of forty two dollars (\$42.00) in payment of the filing fees.

Once the filings have been made, please return to bearer the stamped counterpart(s) of the documents not required for filing purposes, together with the letter/fee receipt from the Surface Transportation Board, acknowledging the filings, and the two extra copies of this letter of transmittal.

Very truly yours,


Allen H. Harrison, Jr.
Attorney for The CIT Group/
Equipment Financing, Inc.
for the purpose of this filing.

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Enclosures

BY-HAND

8360-020

Recorded with the Surface Transportation Board pursuant to section 11301 of Title 49 of the United States Code on _____, 1996, and assigned recordation number _____.

LEASE AGREEMENT

This Agreement dated as of the 1st day of March, 1996 ("Agreement") between The GWI Leasing Corporation, a Delaware corporation, ("Lessor"), and Wheeling & Lake Erie Railway Company, a Delaware corporation, with its principal office at 100 East First Street, Brewster, Ohio 44613 ("Lessee"). Lessor and Lessee agree as follows:

1. Lease

Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the 121 coal cars identified in Schedule I attached to this Agreement (individually referred to as a "Unit" and collectively referred to as the "Units"). It is the intent of the parties to this Agreement that this Agreement be a true lease.

2. Term

The term of this Agreement with respect to each Unit shall commence on the date of delivery of the Units to Lessee, and terminate on February 28, 2001, unless otherwise sooner terminated or extended by any other provision of this Agreement.

3. Delivery and Acceptance

Units will be delivered to Lessee at Genesee & Wyoming, Inc.'s, or its affiliate's, point of interchange with Bessemer & Lake Erie Railroad at Butler, Pennsylvania. Lessee will pay all costs of transporting the Units from point of delivery to Lessee's rail lines. Lessee agrees to execute and deliver to Lessor a certificate of acceptance substantially in the form of Exhibit A attached to this Agreement (a "Certificate of Acceptance") with respect to each of the Units.

4. Markings

The Lessee will cause the Units to be marked, plainly on each side of the Unit, with the reporting marks assigned to the Lessee by the Association of American Railroads ("AAR") and the identification numbers set forth in attached Schedule I. If such markings shall at any time be removed or become illegible, wholly or in part, Lessee shall, as soon as possible, cause such markings to be restored or replaced. Lessee shall not otherwise place, or permit to be placed, any lettering or marking of any kind upon the Units without Lessor's prior written consent, which shall not be unreasonably withheld. In no event shall Lessee place or permit to be placed any marking or lettering on the Units which may reasonably be interpreted as a designation of ownership. Nothing in this Agreement shall prohibit the Lessee from marking the Units with names, trademarks, initials, or symbols customarily used on railroad equipment in the service of the Lessee.

5. Rent; Unpaid Charges

(a) **Rental Payments.** Lessee agrees to pay Lessor, for each Unit subject to this Agreement for the period from the date of delivery to the date of return, monthly rental payments equal to \$270.00 per Unit or, for the period from the date of delivery to the end of the month of delivery or any period after the end of the term of this Agreement, \$9.00 per day. Rent shall be payable in advance on the first day of each month during the term of this Agreement. If the first day of a month falls on a Saturday, Sunday or legal holiday, the rent shall be due on the next succeeding business day.

(b) **Unpaid Charges.** Lessee shall pay Lessor a late fee equal to 3% of the Unpaid Charges (as defined below) for each month that Unpaid Charges are outstanding. The late fee shall be payable on the 15th day of each month. "Unpaid Charges" means any payment of rent, any Casualty Payment (as defined in Paragraph 10 below) or any other amount owing under this Agreement not paid within five days of the date due, including any late fees not paid when due.

(c) **Net Lease.** This Agreement is a net lease and the Lessee's obligation to pay rent and other amounts payable under this Agreement shall be absolute and unconditional and, except as specifically provided in this Agreement, the Lessee shall not be entitled to any abatement of rent, reduction of rent, counterclaims or set-off against rent, including, but not limited to, abatements, reductions, counterclaims or set-offs due to any existing or future claims of the Lessee against the Lessor under this Agreement or otherwise. Lessee's obligation to pay all rent and other amounts due under this Agreement shall not terminate for any reason except the termination of this Agreement in accordance with its express terms. Lessee shall take no action to terminate, rescind or avoid this Agreement notwithstanding any bankruptcy, insolvency or other proceeding affecting the Lessor or the Lessee.

(d) **Method of Payment.** All rent, Casualty Payments, Unpaid Charges and other amounts payable by the Lessee under this Agreement shall be made by wire transfer of immediately available funds to a bank account or bank accounts specified by the Lessor.

6. Possession and Use

(a) **Possession and Use.** So long as no Event of Default has occurred and is continuing under this Agreement, the Lessee shall be entitled to (i) the possession of the Units, (ii) the use of the Units on lines of railroad owned or operated by the Lessee or by railroad companies incorporated in the United States over which the Lessee has rights to operate trains, and (iii) in the usual interchange of traffic upon the lines of railroad of connecting and other carriers.

(b) **Quiet Enjoyment.** So long as no Event of Default has occurred and is continuing under this Agreement, neither the Lessor nor any person acting by, through or under the Lessor nor any person to whom the Lessor may have transferred any interest in this Agreement or any Units under this Agreement shall disturb or interfere with the possession, use and quiet enjoyment of the Units by the Lessee in accordance with the

terms of this Agreement and in the manner customarily used in the railroad business.

7. Maintenance

The Lessee shall, at its own cost and expense, maintain the Units in good condition and repair, ordinary wear and tear and passage of time excepted, and at a level of maintenance comparable to that used on all similar equipment owned or leased by the Lessee and in compliance with the requirements of Paragraph 9 of this Agreement. Any parts installed or replacements made by the Lessee upon any Unit shall be considered accessions to such Unit, and title to any such accessions shall be immediately vested in Lessor, without cost or expense to Lessor.

8. Modifications

(a) *Use on Lessee's Lines.* If the AAR, the United States Department of Transportation ("DOT"), or any other governmental agency having jurisdiction over the operation, safety or use of railroad equipment requires that the Units be added to, modified, or in any manner adjusted in order to operate over the Lessee's lines, the Lessee will cause such addition, modification or adjustment to be made at its own expense; provided, however, that the Lessee may, in good faith and by appropriate legal proceedings, contest the validity or application of any such requirement in any reasonable manner which does not adversely affect the right or interest of the Lessor in the Units or under this Agreement.

(b) *Use in Interchange.* If the Lessee uses or permits the use of any Unit in interchange, the Lessee shall make any addition, modification, or adjustment required by the AAR, DOT or other governmental agency having jurisdiction over the operation, safety or use of railroad equipment in order to qualify any such Unit for operation in railroad interchange; provided, however, that the Lessee may, in good faith and by appropriate legal proceedings, contest the validity or application of any such requirement in any reasonable manner which does not adversely affect the rights or interests of the Lessor in the Units or under this Agreement.

(c) *Economically Impractical Modifications.* Notwithstanding anything in this Agreement to the contrary, if the Lessee determines in good faith that any required addition, modification or adjustment to the Units would be economically impractical, the Lessee may treat such requirement as a Casualty with respect to such Units under the provisions of Paragraph 10 of this Agreement.

(d) *Lessor's Consent Required.* Except for alterations or changes required by law, the Lessee shall not, without the prior written consent of the Lessor, effect any change in the design, construction or body of the Units. The Lessor's consent to modifications or additions to the Units which do not impair the value or utility of the Units shall not be unreasonably withheld, provided that such modifications or additions which are not readily removable without material damage to or diminution of the Units shall be considered accessions to the Units, and title to such accessions shall be immediately vested in the Lessor without cost or expense to the Lessor.

9. Compliance with Regulations

The Lessee shall, at its own expense, comply with all applicable governmental laws, regulations and requirements, including without limitation applicable rules and regulations of the AAR, the DOT, and the Surface Transportation Board with respect to the title, use, maintenance and operation of the Units. The Lessee shall be responsible for obtaining all necessary railroad permissions, approvals and consents for use of the Units and shall bear all risk of failure to obtain such permissions, approvals and consents, or of cancellation of any such permissions, approvals or consents. The Lessor shall take, at no cost or expense to the Lessor, all actions reasonably requested by the Lessee in order to assist the Lessee in obtaining such permissions, approvals and consents.

10. Casualty

(a) **Casualty.** The following occurrences constitute a "Casualty" for purposes of this Agreement:

(i) If any Unit shall be declared an actual, constructive, or compromised total loss.

(ii) If any Unit shall not be available for use for 60 days or more due to destruction or damage beyond repair.

(iii) If any Unit shall not be available for use for a period in excess of 180 days due to theft or other disappearance.

(iv) If any Unit shall be condemned, confiscated, requisitioned, or seized by a foreign government for more than 180 days or by the United States government for a period extending beyond the term of this Agreement (or any renewal term).

(v) If any Unit, in the Lessee's good faith opinion, shall become contaminated or destroyed.

(vi) If any modification, addition or adjustment to a Unit is required by law and the Lessee shall determine, in accordance with Paragraph 8(c), that such modification, addition or adjustment is economically impractical.

(b) **Notice.** The Lessee shall promptly and fully (after it has knowledge of such Casualty, but in any event within 30 days after such knowledge) provide the Lessor with (i) written notice of any Casualty with respect to a Unit, including the date of the Casualty, the nature of the Casualty and any other pertinent information required by the Lessor, and (ii) any applicable accident, notice or other such report with respect to the Units subject to the Casualty.

(c) **Payments.** Following the occurrence of a Casualty with respect to any Unit, the Lessee shall, within 60 days after the occurrence of a Casualty with respect to such

Unit, pay to the Lessor (i) the casualty payment for the next preceding rent payment date as set forth in the casualty payment schedule attached to this Agreement as Schedule II (a "Casualty Payment"), plus, (ii) the daily rent for the Unit through the date that payment of the Casualty Payment is made, plus (iii) any Unpaid Charges and other sums due on or prior to the date that payment of the Casualty Payment is made with respect to such Unit then remaining unpaid.

(d) **Cessation of Rent Obligation.** Upon payment of all sums required to be paid pursuant to this Paragraph in respect of such Unit following a Casualty, the obligation to pay rent for such Unit accruing subsequent to the date on which the Casualty Payment is made will terminate, and the Unit will be deleted from this Agreement. The Lessee's obligations under this Agreement (including the payment of rent) shall continue for all other Units.

(e) **Transfer of Title.** Upon payment of the applicable amounts following a Casualty, ownership of and title to the Unit which has suffered such Casualty shall immediately vest in the Lessee, and the Lessor will take all actions reasonably requested by the Lessee to transfer such ownership and title to the Lessee.

11. Prohibition of Liens

The Lessee shall not suffer or permit to exist any claim, lien, or encumbrance on any Unit (excluding claims, liens, or encumbrances arising prior to purchase of such Unit by the Lessor for lease under this Agreement), and shall promptly discharge any such claims, liens or encumbrances. The Lessee shall promptly pay or cause to be paid, or otherwise satisfy and discharge, any and all sums claimed by any person (except for sums claimed by the Lessor or anyone arising by, through or under the Lessor) which, if unpaid, might become a lien upon any Unit, but shall not be required to pay or discharge any such claim so long as the validity of such claims shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment of such claims does not adversely affect the title, property or rights of the Lessor created or purported to be created under this Agreement.

12. Taxes

(a) **Indemnity.** The Lessee agrees to assume responsibility for, and agrees to indemnify, protect, and hold harmless the Lessor, on an after-tax basis from, the filing of tax returns and reports and payment of all taxes, assessments and other governmental charges of whatever kind or nature levied or assessed upon or in respect of the Units or the use of the Units under the terms of this Agreement (exclusive, however, of any tax based on the net income of Lessor), including (but not limited) to any ad valorem or property taxes, all license, franchise or registration fees, fines, tariffs, switching, demurrage and any sales or use taxes payable on account of the leasing of the Units or the rents payable under this Agreement; provided, however, that the Lessee will be under no obligation to pay any such taxes or other charges so long as the Lessee in good faith and by appropriate legal or administrative proceedings contests the validity or amount of the taxes or charges, and the nonpayment of such taxes or charges does not adversely affect the title,

property or rights of the Lessor in or to any Unit.

(b) *Survival of Indemnity.* The indemnities arising under this Paragraph as to matters occurring during the term of this Agreement shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of this Agreement.

13. Insurance

(a) *Insurance Coverage.* Lessee will, at all times prior to the return of the Units to the Lessor, at its own expense, cause to be carried and maintained with insurers of recognized responsibility in providing insurance for the United States railroad industry, and with deductibles consistent with industry practice for similarly sized railroads, (i) comprehensive general liability insurance covering bodily injury, property damage and pollution exposures in an amount not less than \$12,000,000 in the aggregate for any one year per occurrence, in each case for such risks, with such deductibles and with such insurance companies as are satisfactory to Lessor, and (ii) insurance against risk of physical loss or damage to the Units in the amounts and form normally maintained by Lessee with respect to comparable equipment; provided, however, that the coverage, in any event, shall be consistent with prudent industry standards. If Lessor in its sole discretion has determined that any one or more of the following has occurred: (1) an Event of Default or (2) a material adverse change in Lessee's financial condition since the date hereof, Lessee will cooperate on a best efforts basis to reduce its self-insured retention for liability coverage or reduce its deductible for physical damage coverage from the amounts then applicable under Lessee's policies of insurance as recommended by Lessor so long as such a reduction does not materially adversely affect Lessee's financial condition or cause a default under its loan with its senior lenders.

(b) *Requirements as to Policies.* Any policies of insurance carried in accordance with this Paragraph shall name the Lessor as additional insured or a loss payee, as the case may be, with the understanding that any obligation imposed on the Lessee (including without limitation the liability to pay premium) shall be the sole obligation of the Lessee and not the Lessor. The insurance policies shall provide that coverage shall not be reduced, amended or canceled without at least thirty days' prior written notice to the Lessor.

(c) *Evidence of Insurance.* Prior to or on the commencement date of this Agreement and at each policy anniversary, the Lessee shall furnish the Lessor with approved certification of all insurance required by this Paragraph. Such certification shall be executed by each insurer or by an authorized representative of each insurer where it is not practical for such insurer to execute the certificate itself. Such certification shall identify underwriters, the type of insurance, the insurance limits, and the policy term, and to the extent such insurer or representative will do so without substantial additional cost, the specific provisions of such policy intended to comply with the requirements of this Paragraph. Upon request, the Lessee shall furnish the Lessor with copies of all insurance policies, binders, cover notes, or other evidence of such insurance. Concurrently with the furnishing of the certification referred to in this Paragraph, the Lessee shall have its

independent insurance broker provide a statement that all premiums then due in respect of insurance required by this Paragraph have been paid and that such insurance is in full force and effect. The Lessor may at its sole option obtain the insurance required by this Paragraph if not provided by the Lessee, and in such event the Lessee shall reimburse the Lessor for the cost of such insurance.

(d) *Payment of Proceeds as to Casualty Unit.* Provided no Event of Default has occurred and is continuing under this Agreement, all property insurance proceeds under policies of insurance carried by the Lessee or condemnation payments received by the Lessor with respect to a Unit that has suffered a Casualty will be paid to the Lessee; provided that the Lessee has made the Casualty Payment with respect to the Unit to the Lessor as contemplated by Paragraph 10 above.

(e) *Payment of Proceeds with respect to a Non-Casualty Unit.* Provided no Event of Default has occurred and is continuing under this Agreement, all insurance proceeds received by the Lessor under policies of property insurance carried by the Lessee in respect of any Unit not suffering a Casualty shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Unit has been repaired fully.

(f) *Lessor's Rights upon Event of Default.* Upon the occurrence and during the continuance of an Event of Default under this Agreement, all proceeds of property insurance in respect of the Units shall be payable to the Lessor, and the Lessee authorizes and appoints the Lessor its attorney-in-fact to so notify any insurers of such occurrence and continuance and to collect and receive any such proceeds. The Lessee shall use its best efforts promptly to amend its property insurance policies to provide for payment of proceeds directly to the Lessor after notice by the Lessor to such insurers of the occurrence and continuance of an Event of Default.

(g) *Lessor May Carry Insurance.* Nothing in this Agreement shall be construed to prohibit the Lessor from carrying any insurance on the Units for its own benefit; provided, however, that any such insurance shall not require any premiums to be paid by the Lessee nor shall any such insurance require the Lessee to carry additional insurance not specifically required of the Lessee by this Paragraph.

14. Indemnities

Lessee agrees to indemnify, protect and hold harmless the Lessor, on an after-tax basis, from and against all losses, damages, injuries, liabilities, claims and demands whatsoever (each a "Claim" and, collectively, "Claims"), regardless of the cause, and expenses in connection with such Claims, including but not limited to reasonable attorneys' fees and disbursements, penalties and interest arising out of or as the result of the purchase, use, operation, carriage of commodities (including hazardous materials), condition, maintenance, storage or return of the Units or any accident in connection with the use, operation, maintenance, condition, storage or return of the Units during the term of this Agreement. The indemnities arising under this Paragraph as to matters occurring during the term of this Agreement shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of this

Agreement. Without limiting the generality of the foregoing, Lessor shall not be liable for any loss or damage to any commodities loaded or shipped in the Units. Lessee agrees to assume responsibility for, to indemnify Lessor against, and to hold Lessor harmless from, any claim in respect of such loss or damage.

15. Assignment; Sublease

(a) ***Right to Sublease.*** So long as no Event of Default shall have occurred and be continuing, the Lessee may sublease the Units to others for a term not extending beyond the original term of this Agreement (or any renewal term that shall have been entered into pursuant to this Agreement); provided, however, that the rights of any such sublessee shall be subject and subordinate to, and any such sublease shall be made expressly subject and subordinate to, all of the terms of this Agreement, and the Lessee shall remain obligated to perform all of its duties and obligations under this Agreement. In addition, before Lessee enters into any such sublease for a period greater than six months, the Lessee must obtain the Lessor's prior approval, and the Lessor agrees that such approval shall not be unreasonably withheld. No sublease of any Unit shall in any way discharge or diminish any of Lessee's obligations to Lessor under this Agreement including, but not limited to, any payments due to Lessor under this Agreement.

(b) ***Lessee's Right to Assign.*** Nothing in this Agreement shall restrict the right of the Lessee to assign or transfer its leasehold interest under this Agreement to any solvent corporation incorporated under the laws of any state of the United States or the District of Columbia, into or with which the Lessee shall have become merged or consolidated or that shall have acquired the business and property of the Lessee substantially as an entirety, provided that (i) such assignee or transferee shall have duly assumed the obligations of the Lessee under this Agreement, (ii) such assignee or transferee will not, upon the effectiveness of such merger, consolidation, or acquisition, be in default under any provision of this Agreement, (iii) the Lessor shall continue to have all rights of a lessor under section 1168 of the Bankruptcy Code under this Agreement and in respect of the Units, and (iv) such assignee or transferee (after giving effect to such merger or acquisition) shall have a net worth not less than the net worth of the Lessee immediately prior to such merger or acquisition.

(c) ***Lessor's Right to Assign.*** It is understood and agreed that the Lessor (or any successor or assignee) may assign this Agreement with respect to some or all of the Units to any security trustee, secured party or owner of such Units (each a "Lease Assignee"). Upon delivery of a written notice of assignment to the Lessee, the term "Lessor" as used in this Agreement shall mean such Lease Assignee. The Lessee shall consent to and acknowledge in writing, upon receipt of notice of assignment, such assignment of this Agreement by the Lessor or any Lease Assignee; provided, that any such consent or acknowledgment shall not in any manner increase or change the rights, obligations, duties or legal position of the Lessee nor in any way permit the diminution of the Lessee's right to possession and quiet enjoyment of the Units so long as Lessee is not in default under this Agreement. The Lessor warrants that any Lease Assignee shall agree to all the terms and conditions of this Agreement. Each Lease Assignee shall warrant that any subsequent Lease Assignee shall agree to all terms and conditions of this Agreement.

(d) *Agreement Binding on Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective successors and assigns.

16. Return of Units

(a) *Return of Units Upon Expiration of Agreement.* Upon the expiration of this Agreement or any renewal term with respect to any Unit (except as provided in subparagraph (b) below), the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such tracks of the Lessee as the Lessor may reasonably designate taking into account, among other things, the Lessee's storage capacity, security and access (or, in the absence of such designation, as the Lessee may select) and permit Lessor to store such Unit on such tracks for a period not exceeding 90 days. The Lessee will transport each Unit once at any time within such 90-day period from such storage location to a scrap dealer located on railroad lines owned and operated by the Lessee or to any other destination on railroad lines owned and operated by the Lessee designated by the Lessor, all as directed by Lessor upon not less than 5 days prior written notice to Lessee. If the Lessor directs the Lessee to move the Units to a scrap dealer, the Lessee shall, at the Lessor's request, move up to 50 Units at any one time to such scrap dealer. Lessee shall not be obligated to transport any Unit more than once at the request of the Lessor, after which the Lessee will have no further obligation with respect to any Unit so moved. During the 90-day storage period, the Lessee will permit the Lessor (or any person designated by the Lessor), at Lessor's risk, to inspect the Units; provided, however, that the Lessee will not be liable, except in the case of gross negligence or willful misconduct of the Lessee or of its employees or agent, for the death of or injury to any person exercising the rights of inspection granted under this sentence. The Lessor may, at its option and expense and upon not less than 5 days prior written notice to the Lessee, during the 90-day storage period, engage a scrap dealer to enter onto the Lessee's premises to scrap the Units; provided, however, that the Lessee will not be liable, except in the case of gross negligence or willful misconduct of Lessee or of its employees or agents, for the death of or injury to any person engaged by Lessor and exercising his rights to enter the Lessee's property and scrap the units. Lessee shall be responsible for the Units in accordance with the terms of this Agreement until such time as each Unit is delivered pursuant to Lessor's disposition instructions but in no event shall such responsibility extend beyond the storage period. Upon the termination of the 90-day storage period, the reasonable cost of storage or transporting any Unit shall be for the account of Lessor. Lessee shall cause the Units at the date of return to be in operable condition and to comply with AAR interchange rules as in effect on the date hereof (disregarding any changes in such rules between the date hereof and the date of return).

(b) *Return of Units Upon Default.* If the Lessor shall terminate this Agreement pursuant to Paragraph 20(b) of this Agreement, the Lessee shall immediately deliver possession of the Units to Lessor. For the purpose of delivering possession of any Unit to Lessor as required in this subparagraph, Lessee shall at its own cost, expense and risk:

(i) immediately place such Unit upon such storage tracks of Lessee as Lessor may reasonably designate;

(ii) permit Lessor to store such Unit on the storage tracks without charge for up to one year or until such earlier time as such Unit has been sold, leased, or otherwise disposed of by Lessor; and

(iii) transport such Unit one time to a scrap dealer located on railroad lines operated by the Lessee or any other location designated by the Lessor located on any railroad lines operated by the Lessee, all as directed by Lessor.

Upon application to any court of equity having jurisdiction, Lessor shall be entitled to a decree against Lessee requiring specific performance of the provisions of this subparagraph (b).

17. Inspection

The Lessor shall, at its sole cost and expense, at any reasonable time during normal business hours, upon reasonable notice to the Lessee and without interfering with the Lessee's operations, have the right to enter the premises of the Lessee for the purpose of inspecting the Units to ensure the Lessee's compliance with its obligations under this Agreement. The Lessor shall enter and occupy the Lessee's property at the Lessor's sole risk and shall be subject at all times to the Lessee's operating and safety requirements. Any injury, death or property damage arising out of such entry, occupancy and inspection, except if caused by the Lessee's gross negligence or willful misconduct, shall be the entire responsibility of the Lessor, and the Lessor will indemnify and hold harmless Lessee from any and all such liabilities.

18. Disclaimer

(a) THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, QUALITY OR ANY OTHER MATTER RELATING TO THE UNITS, OR THE MATERIAL, EQUIPMENT OR WORKMANSHIP OF OR IN THE UNITS. ALL SUCH RISKS ARE TO BE BORNE BY THE LESSEE, AND THE LESSOR SHALL IN NO EVENT BE RESPONSIBLE FOR ANY DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION STRICT LIABILITY IN TORT). THE LESSEE CONFIRMS THAT IT HAS SPECIFIED THE UNITS AND APPROVED THE DESIGN AND MATERIALS OF THE UNITS ON THE BASIS OF ITS OWN JUDGMENT AND EXPRESSLY DISCLAIMS RELIANCE UPON ANY STATEMENTS, REPRESENTATIONS OR WARRANTIES MADE BY LESSOR, AND LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OR VENDOR OF ANY OF THE UNITS.

(b) The Lessor appoints the Lessee its agent to assert and enforce any rights the Lessor may have against the vendors or manufacturers of the Units and the component parts of the Units. Any amount recovered shall be applied to the repair or restoration of the Units.

19. Representations and Warranties

The Lessee represents and warrants as follows:

(i) The Lessee is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Delaware, is duly qualified to do business in all jurisdictions in which qualification is required in order for it to carry out the transactions contemplated by this Agreement, and has the corporate power and authority to hold property under lease and to enter into and perform its obligations under this Agreement.

(ii) This Agreement has been duly authorized, executed, and delivered by the Lessee and constitutes the legal, valid, and binding obligation of the Lessee, and this Agreement is enforceable against the Lessee in accordance with its terms.

(iii) The execution, delivery and performance by the Lessee of this Agreement is not inconsistent with or in violation of the Lessee's certificate of incorporation or by-laws, any law, governmental rule or regulation, judgment or order applicable to the Lessee, or any indenture, mortgage, contract or other instrument to which the Lessee is a party or by which it is bound, and does not require the consent, approval or other action by any federal, state, or local governmental body.

(iv) There are no actions, suits, or proceedings pending or, to the knowledge of the Lessee, threatened against the Lessee in any court or before any governmental body that, if adversely determined, will have a material adverse effect on the ability of the Lessee to perform its obligations under this Agreement.

(v) The Lessee is a "railroad" as such term is defined in section 101 of the Bankruptcy Code of the United States.

(vi) The balance sheet and the related statement of income and statement of changes in financial position of the Lessee, or the consolidated group of which the Lessee is a member, previously delivered to the Lessor have been prepared in accordance with generally accepted accounting principles and fairly present the financial position of the Lessee or such consolidated group, as the case may be, on and as of the date of this Agreement, and the results of its operations for the period or periods covered by such financial statements; since the date of such balance sheet and statement, there has not been any material adverse change in the financial condition or results of operations of the Lessee or such consolidated group.

20. Default

(a) **Events of Default.** The occurrence of any of the following events shall be an "Event of Default" by the Lessee:

(i) The Lessee fails to pay any amount of rent due under this Agreement

when due and such nonpayment shall continue for five (5) business days and two (2) business days after written notice of nonpayment given by Lessor to Lessee.

(ii) Any other sum (including without limitation any Casualty Payment or Unpaid Charge) required under this Agreement to be paid to Lessor or by Lessee is not paid when due and such nonpayment shall continue for five (5) business days after notice of such nonpayment.

(iii) The Lessee fails to maintain the insurance required by Paragraph 13.

(iv) The Lessee becomes insolvent or fails generally to pay its debts as such debts become due, or files a petition for reorganization or liquidation under the federal Bankruptcy Code, or seeks dissolution of the Lessee under applicable law, or causes or suffers an order for relief to be entered against it under applicable federal or state bankruptcy law, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for the Lessee or for the major part of its property, or takes any corporate action in furtherance of any of the foregoing, or a petition for reorganization or liquidation under the federal Bankruptcy Code or other applicable bankruptcy or insolvency law shall be filed against the Lessee, and in the case of any involuntary petition, such petition shall not have been discharged or dismissed within 60 days.

(v) Any representation or warranty made by the Lessee in this Agreement or in any other document delivered to Lessor by Lessee related to this Agreement shall have been false or incorrect in any material respect on the date when made and such breach or default remains material and continues for a period of thirty (30) days after the Lessee's receipt of written notice from the Lessor of such breach or default.

(vi) The breach by the Lessee of any other term, covenant, or condition of this Agreement, which is not cured within fifteen (15) days of the Lessee's receipt of written notice from the Lessor; provided, however, that if such breach is incapable of cure within 15 days but is otherwise curable, and the Lessee is diligently attempting to cure such breach, such cure period shall be extended (but shall not exceed ninety (90) days from the notice date in any event).

(b) **Remedies.** Upon the occurrence and during the continuance of any Event of Default, the Lessor may exercise either of the following remedies:

(i) The Lessor may proceed by any lawful means to recover damages for a breach of this Agreement or to enforce performance by the Lessee of this Agreement.

(ii) The Lessor may terminate this Agreement and the Lessee's right to possession and use of the Units, upon which termination all rights and interest of the Lessee in the Units shall terminate, and the Lessor may enter upon any premises where the Units may be located and take possession of them and hold,

possess and enjoy the same free from any right of the Lessee. Notwithstanding such termination, Lessor shall have the right to recover from the Lessee any rent and other amounts which are then due and payable, or which may have accrued to the date of such termination, plus (as damages for loss of the bargain and not as a penalty) an amount equal to the excess, if any, of the Casualty Payment for each Unit then subject to this Agreement over (A), if the Lessor shall dispose of any Units after recovery of possession of the Units from the Lessee, the net amount realized upon such disposition by the Lessor or (B), if the Lessor shall elect to retain any Units after recovery of possession of the Units from the Lessee, the fair market value, as reasonably determined by Lessor, of such Units.

(c) **Expenses; Remedies Cumulative.** The Lessee shall bear the costs and expenses, including without limitation reasonable attorneys' fees and disbursements, incurred by the Lessor in connection with the exercise of its remedies pursuant to this Paragraph 20. No remedy referred to in this Paragraph is intended to be exclusive but each shall be cumulative and in addition to any other remedy otherwise available to the Lessor at law or in equity. The Lessee waives any mandatory requirement of law, now or subsequently in effect, which might limit or modify the remedies provided in this Agreement, to the extent that such waiver is permitted by law.

(d) **Section 1168 Protection.** The parties to this Agreement intend that the Lessor shall have all rights in respect of the Units and this Agreement available to lessors of railroad equipment under section 1168 of the Bankruptcy Code, and the Lessee shall take no action in any proceeding under the Bankruptcy Code inconsistent with such rights.

21. Renewal

Provided that no Event of Default, or any event that with lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the term of this Agreement with respect to all of the Units then subject to this Agreement (but not less than all) may be renewed for up to five successive one year periods, by Lessee providing Lessor with written notice not fewer than 90 days prior to the scheduled expiration of this Agreement or the renewal term, as the case may be. The monthly rent payable, during a renewal term, shall be \$270.00 per Unit, otherwise payable in accordance with and subject to the terms of this Agreement.

22. Records; Reports

(a) **Records.** The Lessee will perform all record-keeping functions related to the use of the Units that Lessee, in the normal course of business, from time to time, performs for similar equipment owned or leased by Lessee. Lessee agrees to make such information available to Lessor from time to time as Lessor may reasonably request.

(b) **Financial Statements.** The Lessee will furnish to the Lessor (i) not later than 120 days after the end of each fiscal year of the Lessee, a consolidated balance sheet of the Lessee as at the end of such fiscal year, and the consolidated statements of income and cash flow of the Lessee for such fiscal year, together with equivalent information for the prior

fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles and audited by a nationally recognized firm of independent certified public accountants, and (ii) not later than 60 days after the end of each of the first three quarters of each fiscal year of the Lessee, a consolidated balance sheet of the Lessee as at the end of such quarter, and the consolidated statements of income and cash flow of the Lessee for such quarter, together with equivalent information for the corresponding quarter of the prior fiscal year, all in reasonable detail and prepared in accordance with generally accepted accounting principles.

23. Conditions Precedent

The obligations of the Lessor under this Agreement with respect to each Unit are subject to the satisfactory performance by the Lessee, on or prior to the commencement date of this Agreement with respect to such Unit, of the following conditions:

- (a) This Agreement shall have been duly executed and delivered by Lessee;
- (b) Evidence satisfactory to Lessor as to due compliance with the provisions of Paragraph 13 of this Agreement relating to insurance with respect to the Units, together with a certificate of such insurance, shall have been delivered to Lessor;
- (c) Lessee shall have executed and delivered to Lessor a Certificate of Acceptance covering each Unit in the form of Exhibit A attached to this Agreement;
- (d) Lessee shall have executed and delivered any other documents that Lessor may reasonably request.

24. Governing Laws

The terms of this Agreement and all rights and obligations under this Agreement shall be governed by the laws of the State of New York. This Agreement (together with the other documents specified in Paragraph 23) contains all of the terms and conditions agreed to between the parties, and no other prior agreements, oral or otherwise, concerning the subject matter of this Agreement, shall be deemed to exist or bind either party to this Agreement, except as specifically set forth in this Agreement. The terms of this Agreement and the rights and obligations of the parties may be changed or waived only by a writing executed by both parties.

25. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

26. Further Assurances

The Lessee will, at its expense, promptly and duly execute and deliver to the Lessor such further documents and assurances and take such further action as the Lessor may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Agreement and to establish and protect the rights, interests and remedies created or intended to be created in favor of the Lessor under this Agreement, including, without limitation, the execution, delivery, recordation and filing of documents with the Surface Transportation Board, and the execution and filing of Uniform Commercial Code financing statements in the appropriate jurisdictions. Lessor will cause such filings to be effected.

27. Notices

Unless otherwise expressly specified or permitted by the terms of this Agreement, all notices required or permitted in this Agreement shall be in writing and shall become effective (i) upon personal delivery of such notice, including, without limitation, by overnight mail and courier service, or (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt of such notice or (iii) in the case of a writing transmitted by facsimile, upon receipt of such writing, provided that receipt shall have been confirmed by recipient by telephone or written confirmation, in each case addressed to each party to this Agreement at its address set forth below or sent to the number set forth below or, in the case of any such party to this Agreement, at such other address or to such other number as such party may from time to time designate by written notice to the other party to this Agreement:

If to the Lessee:

Wheeling & Lake Erie Railway Company
100 East First Street
Brewster, Ohio 44613
Attention: President
Tel: (216) 767-3401
Fax: (216) 767-3364

If to the Lessor:

GWI Leasing Corporation
71 Lewis Street
Greenwich, Connecticut 06830

Tel: (203) 629-3722

Fax: (203) 661-4106

GWI LEASING CORPORATION

By: _____

Its: _____

WHEELING & LAKE ERIE RAILWAY COMPANY

By: _____

Its: _____

State of Connecticut)
) SS.
County of Fairfield)

On this 15th day of March, 1996, before me personally appeared Mark W. Hastings, to me personally known, who being duly sworn, did depose and say that such person is the Treasurer of GWI Leasing Corporation, and that the foregoing Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

Witness my hand and Notarial Seal on the day and year last written above.

(SEAL)


Notary Public


My commission expires MY COMMISSION EXPIRES FEBRUARY 22, 1998

State of OHIO)
) SS.
County of Stark)

On this 13th day of March, 1996, before me personally appeared Steven W. Wait, to me personally known, who being duly sworn, did depose and say that such person is the President & Chief Operating Officer of Wheeling & Lake Erie Railway Company and that the foregoing Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

Witness my hand and Notarial Seal on the day and year last written above.

(SEAL)


Notary Public

My commission expires August 29, 1999

SCHEDULE I

Identification of the Units

121 coal cars, bearing the following road numbers
(Note all GNWR marks will be changed to WE marks):

<u>Car Number</u>	<u>Car Number</u>
GNWR 1001	GNWR 1035
GNWR 1002	GNWR 1036
GNWR 1003	GNWR 1037
GNWR 1004	GNWR 1038
GNWR 1005	GNWR 1039
GNWR 1006	GNWR 1040
GNWR 1007	GNWR 1041
GNWR 1008	GNWR 1042
GNWR 1009	GNWR 1043
GNWR 1010	GNWR 1044
GNWR 1011	GNWR 1045
GNWR 1012	GNWR 1046
GNWR 1013	GNWR 1047
GNWR 1014	GNWR 1048
GNWR 1015	GNWR 1049
GNWR 1016	WE 1050
GNWR 1017	GNWR 1051
GNWR 1018	GNWR 1052
WE 1019	GNWR 1053
GNWR 1020	GNWR 1054
GNWR 1021	GNWR 1055
GNWR 1023	GNWR 1056
GNWR 1024	GNWR 1057
GNWR 1025	GNWR 1058
GNWR 1026	GNWR 1059
GNWR 1027	GNWR 1060
GNWR 1028	GNWR 1061
GNWR 1029	GNWR 1062
GNWR 1030	GNWR 1063
WE 1031	GNWR 1064
WE 1032	GNWR 1065
GNWR 1033	GNWR 1066
WE 1034	GNWR 1067

Car Number

GNWR 1068
GNWR 1069
GNWR 1070
GNWR 1071
GNWR 1072
GNWR 1073
GNWR 1074
GNWR 1075
GNWR 1076
GNWR 1077
WE 1078
GNWR 1079
GNWR 1080
GNWR 1081
WE 1082
GNWR 1083
GNWR 1084
GNWR 1085
GNWR 1086
WE 1087
GNWR 1088
GNWR 1089
GNWR 1090
GNWR 1091
GNWR 1092
GNWR 1093
GNWR 1094
GNWR 1095

Car Number

GNWR 1096
GNWR 1097
GNWR 1098
GNWR 1099
GNWR 1100
GNWR 1101
GNWR 1102
GNWR 1103
GNWR 1104
WE 1105
WE 1106
GNWR 1107
WE 1108
GNWR 1110
GNWR 1111
GNWR 1112
GNWR 1113
GNWR 1114
GNWR 1115
WE 1116
GNWR 1117
WE 1118
GNWR 1119
WE 1120
GNWR 1121
GNWR 1122
GNWR 1123

SCHEDULE II
Casualty Payments

See the attached Schedule.

Month	Casualty value per car
3/1/96	\$13,000
2	\$12,876
3	\$12,750
4	\$12,624
5	\$12,497
6	\$12,369
7	\$12,239
8	\$12,109
9	\$11,978
10	\$11,845
11	\$11,712
12	\$11,577
13	\$11,442
14	\$11,305
15	\$11,167
16	\$11,028
17	\$10,888
18	\$10,747
19	\$10,605
20	\$10,462
21	\$10,318
22	\$10,172
23	\$10,025
24	\$9,878
25	\$9,729
26	\$9,578
27	\$9,427
28	\$9,274
29	\$9,121
30	\$8,965
31	\$8,809
32	\$8,652
33	\$8,493
34	\$8,333
35	\$8,172
36	\$8,009
37	\$7,845
38	\$7,680
39	\$7,514
40	\$7,346
41	\$7,177
42	\$7,007
43	\$6,835
44	\$6,662
45	\$6,487
46	\$6,311

WLE lease for 121 coal cars

1/30/96

Month	Casualty value per car
47	\$6,134
48	\$5,956
49	\$5,775
50	\$5,594
51	\$5,411
52	\$5,227
53	\$5,041
54	\$4,853
55	\$4,665
56	\$4,474
57	\$4,283
58	\$4,089
59	\$3,894
60	\$3,698
61 and thereafter	\$3,500

**SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001**

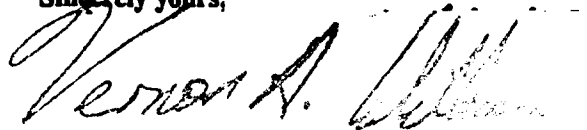
3/19/96

Allen H. Harrison, Jr.
Donelan, Cleary, Wood & Maser, P.C.
1100 New York Avenue, NW., Ste. 750
Washington, DC., 20005-3934

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/19/96 at 11:45AM , and assigned recordation number(s). 19978 and 19978-A.

Sincerely yours,



Vernon A. Williams
Secretary

Enclosure(s)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

